

Metropolitan Transportation Commission Programming and Allocations Committee

November 14, 2012

Item Number 2b

Report on TDA Triennial Performance Audits

Subject: Results of the TDA triennial performance audits of the Golden Gate Bridge Highway and Transportation District (GGBHTD), SamTrans, City of Dixon, City of Rio Vista, City of Vacaville, City of Vallejo, Napa County Transportation Planning Authority (NCTPA), Tri Delta Transit (ECCTA), and Western Contra Costa Transit Authority (WestCAT).

Background: The Transportation Development Act (TDA) requires that MTC administer triennial performance audits of the region’s transit operators. Operators are divided into three groups, with one group audited each year on a three-year cycle. The audits are conducted under contract by an independent auditing firm, Mundle and Associates, Inc.

In accordance with TDA requirements, the performance audit recommendations serve as the basis for the operator’s development of projects that are included in MTC’s Productivity Improvement Program (PIP). The FY2012-13 PIP recommendations are presented in Resolution 4073 on today’s consent calendar. In future cycles, the PIP process may be used to monitor operator progress toward implementing cost containment and service delivery recommendations from Resolution No. 4060, the Transit Sustainability Project.

During the next Triennial audit cycle, an audit of Soltrans will supplant the audit conducted for the City of Vallejo.

In summary, service effectiveness and cost efficiency trends were mixed between FY2005-06 and FY2010-11 as shown below:

Passengers per Vehicle Service Hour Trends
Fixed-Route Service

Agency	Productivity	Ridership	Notes
GGBHTD	↓	↓	Service steady but decreased usage
SamTrans	↑	↓	Service and usage decreased
Dixon	↓	↓	Service and usage decreased
Rio Vista	↑	↑	Service and usage increased
Vacaville	↑	↑	Service steady but increased usage
Vallejo*	↓	↓	Service and usage decreased
NCTPA	↓	↓	Increased service but decreased usage
Tri Delta	↔	↔	Steady service levels and usage
WestCAT	↑	↔	Decreased service but steady usage

**Vallejo performance expected to be addressed with new Joint Powers Authority, Soltrans.*

The attached presentation summarizes findings for the recently completed audits, focusing on each operator's six-year trends for certain performance indicators, including cost per hour, cost per passenger and passengers per hour. Note that the Transit Sustainability Project includes performance measures for large operators that must be achieved within five years, as well as an incentive program for all operators that will reward increased ridership and productivity. These measures are intended to help improve future performance trends.

Issues: None.

Attachments: Presentation Handout

J:\COMMITTEE\PAC\2012 PAC Meetings\11_Nov'12_PAC\2b_TDA_Audit_2012_PAC_Summary.doc



Metropolitan Transportation Commission Programming & Allocations Committee October 2012

FY2012 TDA Triennial Operator Performance Audits and Supplemental Performance Reviews

GGBHTD

SamTrans

City of Dixon

City of Rio Vista

City of Vacaville

City of Vallejo

NCTPA

Tri Delta Transit

WestCAT

Mundt & Associates, Inc.

MTC FY2012 TDA Triennial Performance Audits

Audit Approach

Audit Period

- FYs 2008-09, 2009-10 and 2010-11

Audit Activities

- Review of data collection, management and reporting methods.
- Five TDA performance indicators (six year trend analysis).
- Compliance with statutory and regulatory requirements.
- Review of actions taken to implement prior audit recommendations.
- Conclusions, commentary and recommendations.

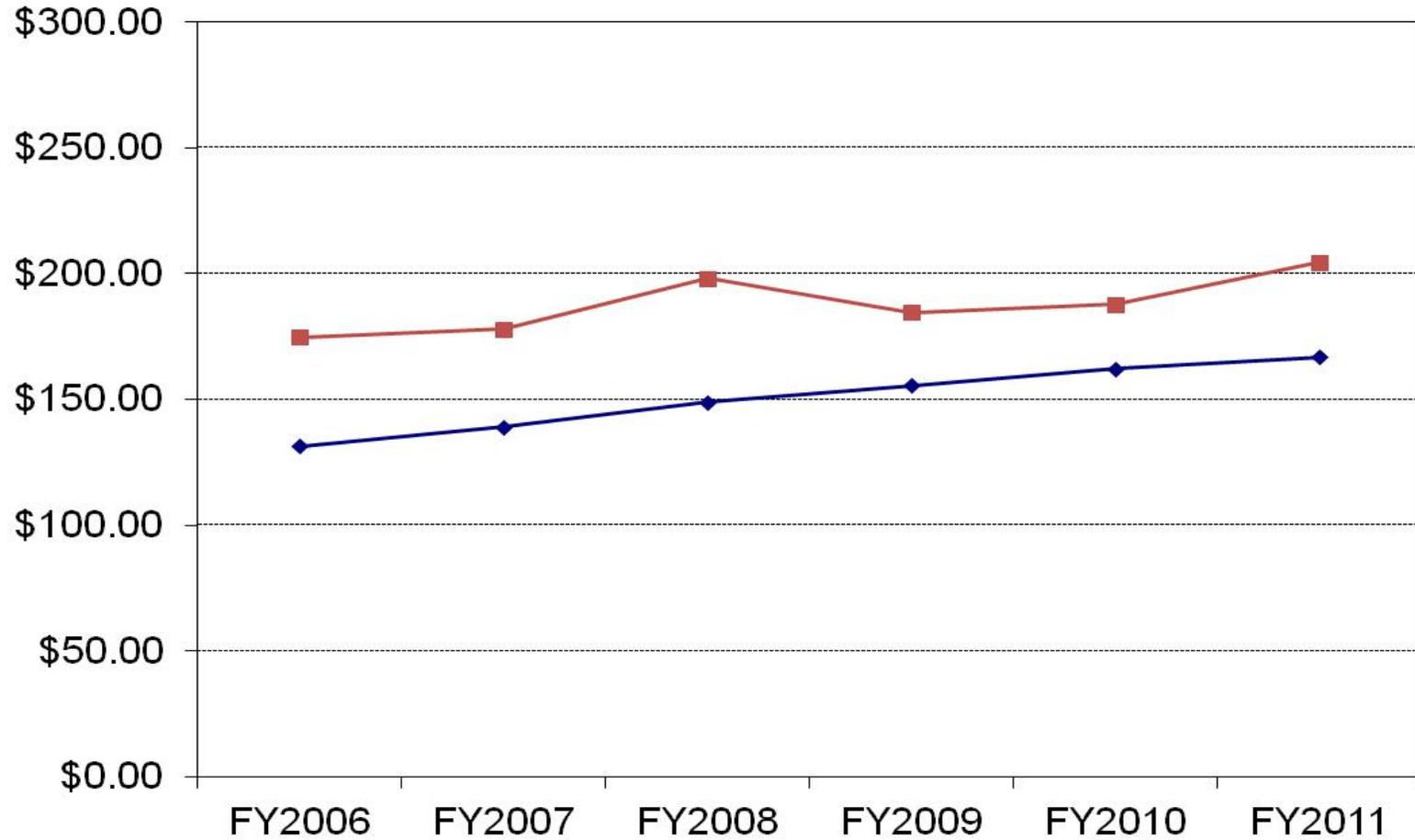
Transit Sustainability Project (TSP) and Transit Performance

MTC annually adopts Productivity Improvement Program (PIP) projects in accordance with TDA law. Future PIP projects may be derived from:

- Strategic Plans developed by the largest seven operators to achieve performance targets set forth in MTC Resolution 4060
- Service and institutional recommendations set forth in MTC Resolution 4060
- TDA performance audit findings



Fixed-Route Bus – Larger Operators Cost per Vehicle Service Hour



Average Annual Change (CPI = 2.4%)	
■ GGBHTD 3.2%	◆ SamTrans 4.9%

Larger Operators Cost Per Hour Trends – Last 3 Years

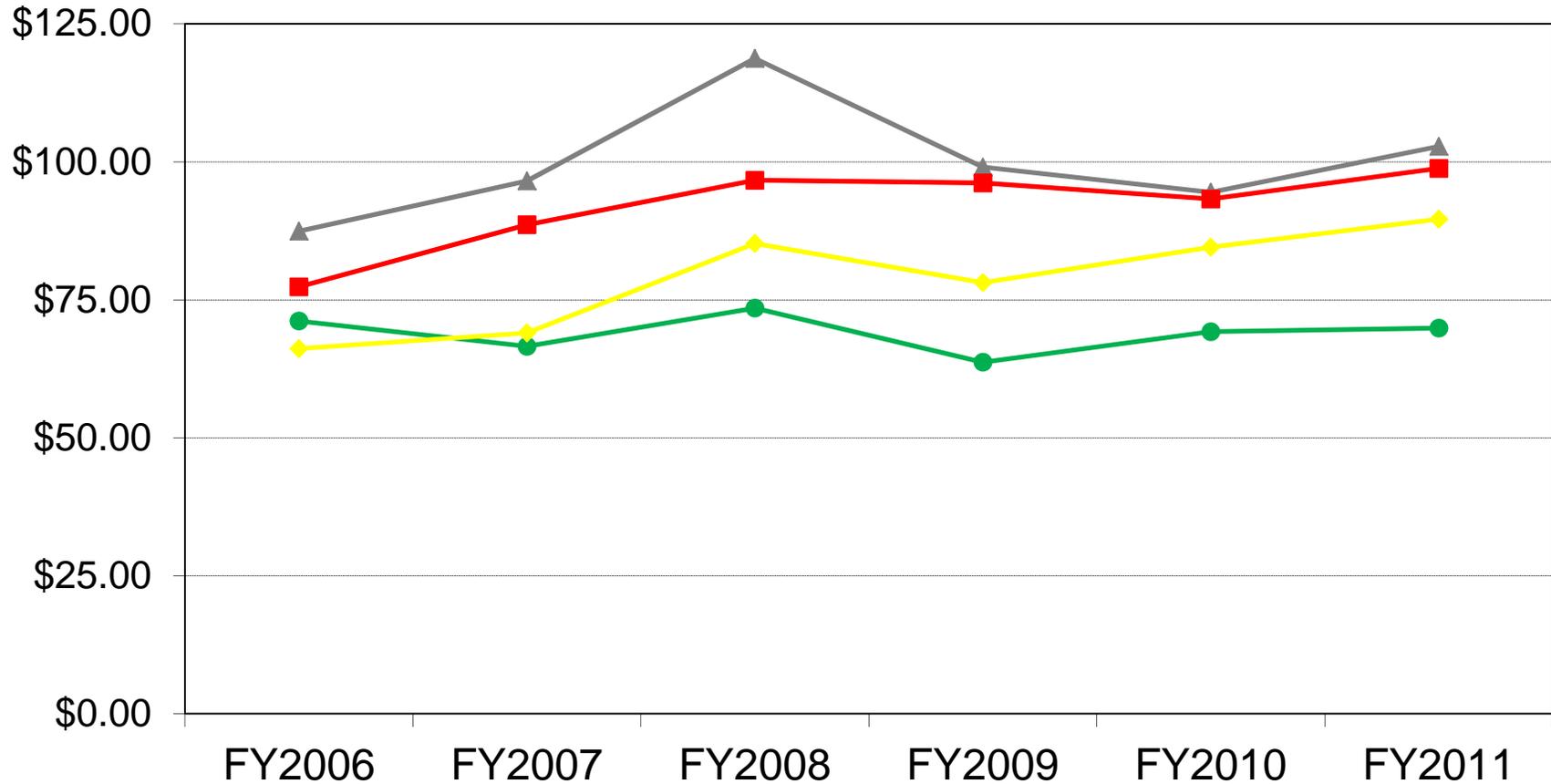
GGBHTD

- Labor costs (the largest cost component) increased on average by less than 1% annually.
- All other component costs increased at higher rates, up to 32% annually for casualty/liability.
- Labor and fringe benefits costs both decreased slightly as shares of total operating costs.

SamTrans

- Labor costs decreased on average by 6.8% annually.
- Fringe benefit costs increased by 1.4% per year.
- Fuel/lubricant and utility costs decreased 3-6% per year.

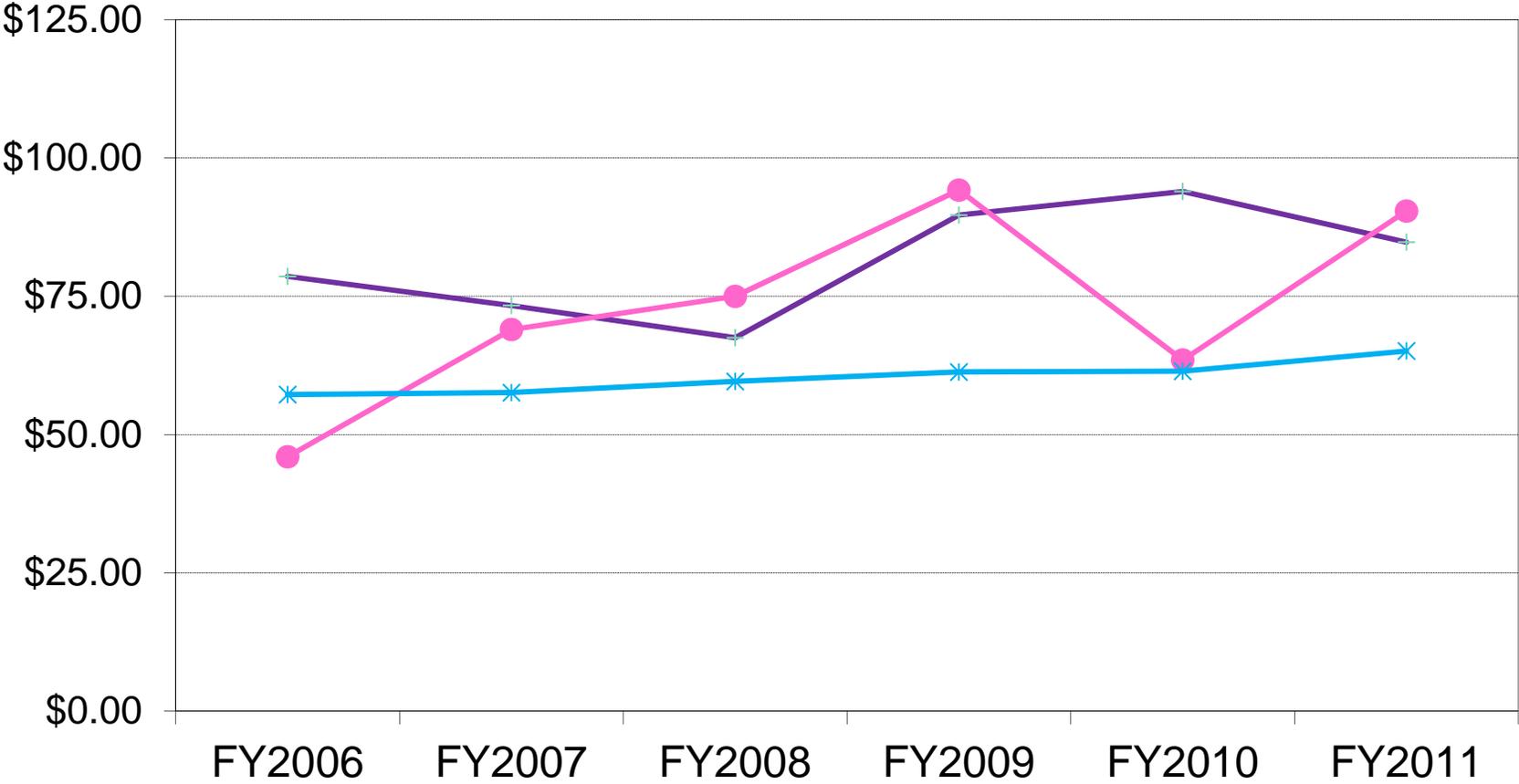
Fixed-Route Bus – Smaller Operators Cost per Vehicle Service Hour



Average Annual Change (CPI = 2.4%)			
▲ Vallejo 3.3%	● NCTPA -0.4%	■ Tri Delta 5.0%	◆ WestCAT 6.3%

Fixed-Route Bus – Smaller Operators, *continued*

Cost per Vehicle Service Hour



<u>Average Annual Change</u> (CPI = 2.4%)		
—+ Dixon 1.5%	—● Rio Vista 14.5%	—* Vacaville 2.6%

Smaller Operators Cost Per Hour Trends – Last 3 years

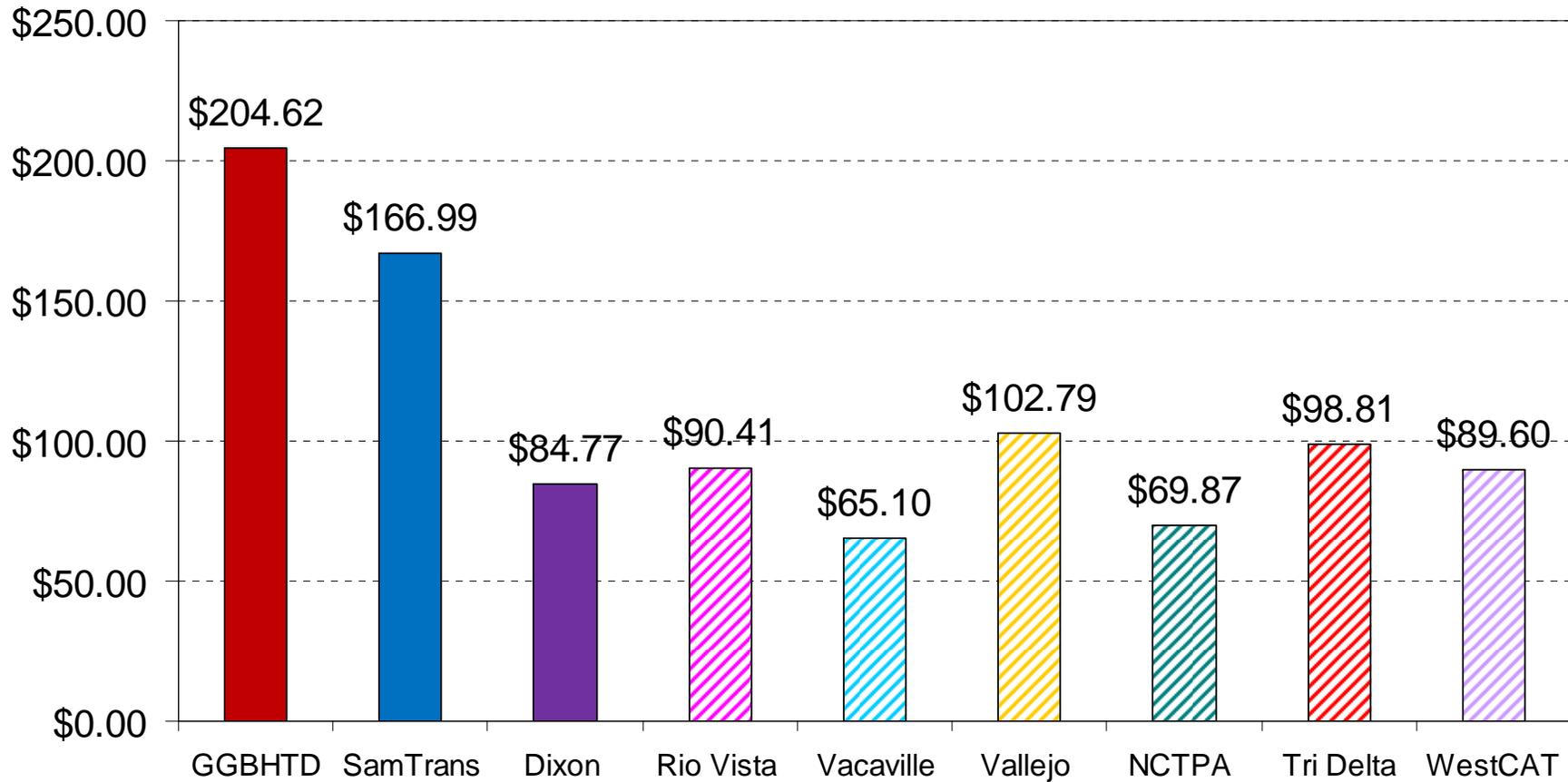
Similar Trends Among Most Operators

- Employee salary and benefit increases reflecting labor agreements or city-wide policies.
- Casualty/Liability and Services costs generally decreasing.
- Purchased Transportation costs comprise the largest share of component costs for contracted operations.

Trends Specific to Individual Operators

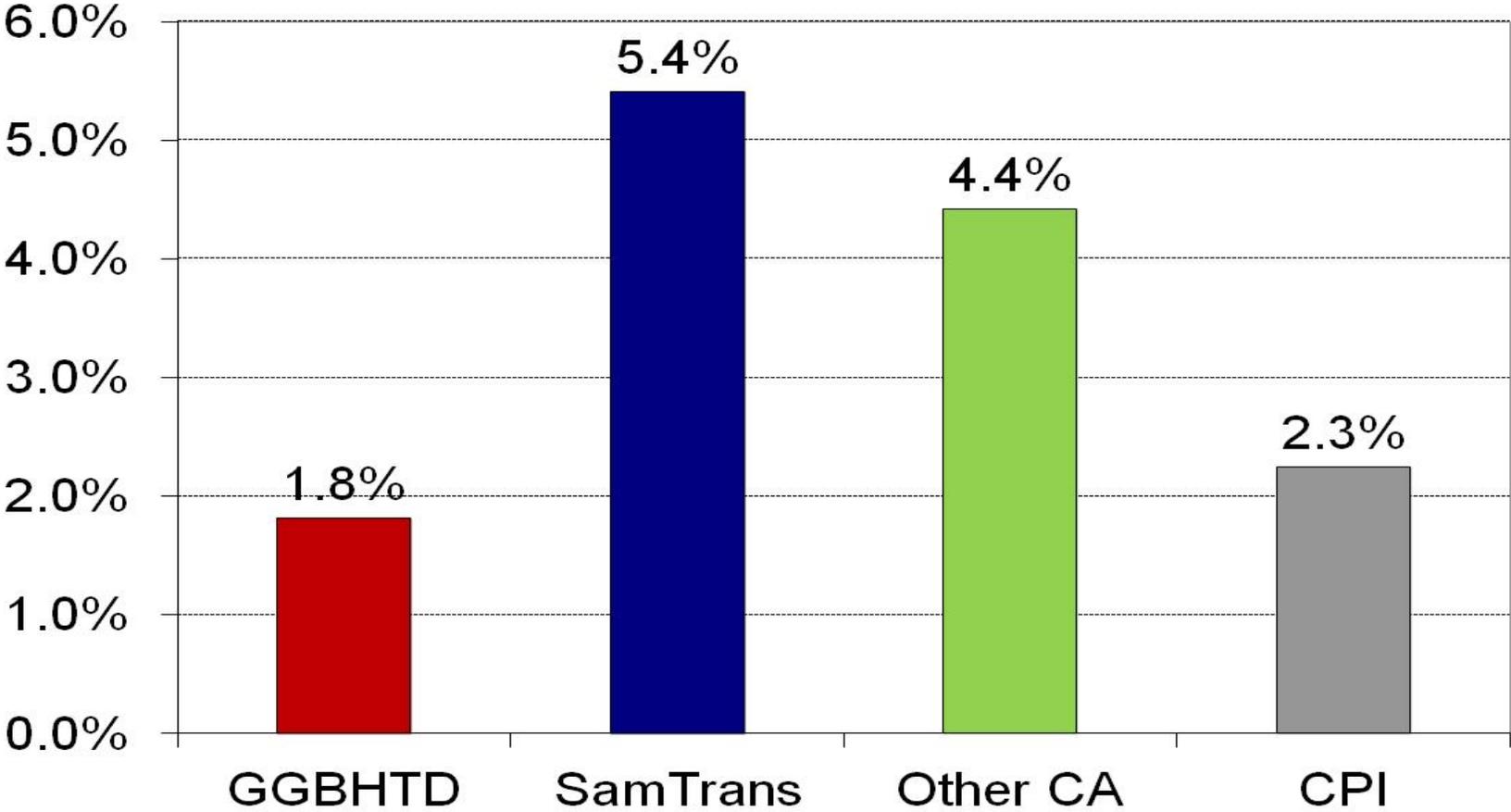
- All component costs decreasing except Fringe Benefits (Dixon)
- All component costs steady or decreasing except Fuel/Lubricants (Tri Delta).
- Decreasing Fuel/Lubricants costs (Vacaville).
- Direct labor costs decreasing (NCTPA and Vallejo).
- Purchased Transportation costs decreasing (Tri Delta and WestCAT).

Comparison of Cost per Vehicle Service Hour – Fixed-Route Bus (FY2011)



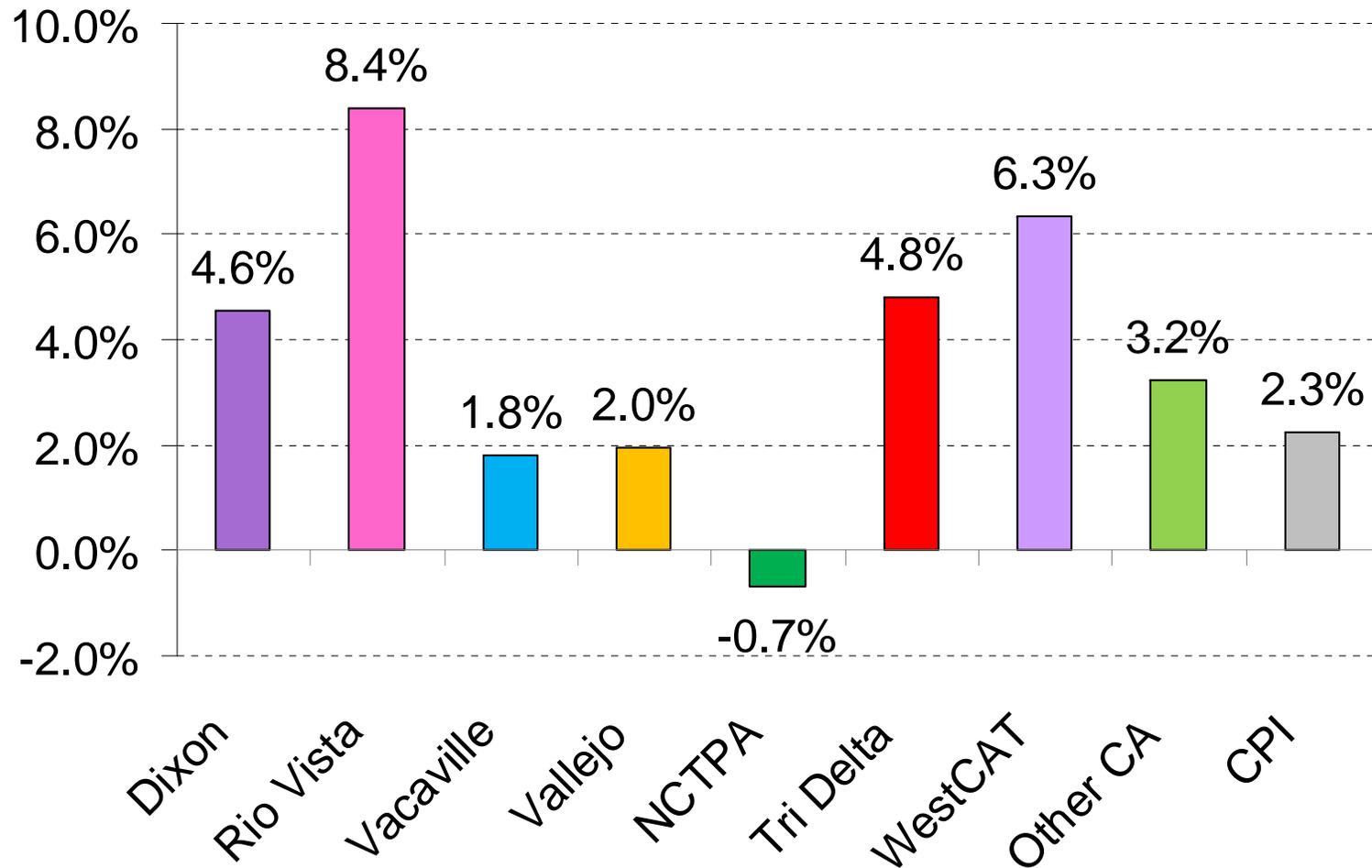
- Directly Operated
 - Contracted

Comparison of Average Annual Change in Cost per Vehicle Service Hour for Larger Bus Operators (FY2006-FY2010)



Peers: *Foothill Transit, LA DOT, Long Beach Transit, MTS (San Diego), LACMTA, OCTA, Sacramento RT, and Santa Monica Big Blue Bus.*

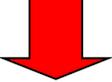
Comparison of Average Annual Change in Cost per Vehicle Service Hour for Smaller Bus Operators (FY2006-FY2010)



Peers: UC Davis (Unitrans), Antelope Valley, Culver City, City of Gardena, Modesto, City of Norwalk, Gold Coast Transit, Sunline, Victor Valley, and Yuba-Sutter.

Passengers per Vehicle Service Hour Trends

Fixed-Route Service

Agency	Productivity	Ridership	Notes
GGBHTD			Service steady but decreased usage
SamTrans			Service and usage decreased
Dixon			Service and usage decreased
Rio Vista			Service and usage increased
Vacaville			Service steady but increased usage
Vallejo			Service and usage decreased
NCTPA			Increased service but decreased usage
Tri Delta			Steady service levels and usage
WestCAT			Decreased service but steady usage

Summary Trends

Cost Efficiency

- Larger operators tend to have higher cost per hour than small operators due to different cost pressures (e.g., labor, facilities and fringe benefits).
- Small operators do face similar cost pressures as the larger operators, as indicated in the cost per hour trends.
- Operators have been impacted by factors beyond their daily control (e.g., City-wide labor cost increases and purchased transportation cost increases).

Service Effectiveness

- Large operators have higher passenger productivity due to more densely populated service areas.
- Small operators face challenges of lower densities and the need for non-commute (low productivity) services.
- From FY2006 to FY2011, annual fixed-route productivity changed considerably depending on the operator.